

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA,

PLAINTIFF,

v.

\$366,562.00 IN FUNDS SEIZED
FROM MECHANICS AND
FARMERS BANK ACCOUNT
NUMBER XXXXXX9508, HELD
IN THE NAME OF OVERTON
NATIONAL
TRANSPORTATION, INC.

DEFENDANT.

CIVIL ACTION NO.:

VERIFIED COMPLAINT FOR FORFEITURE

COMES NOW Plaintiff United States of America, by Kurt R. Erskine, Acting United States Attorney, and Cynthia B. Smith, Assistant United States Attorney, for the Northern District of Georgia, and shows the Court the following in support of its Verified Complaint for Forfeiture:

NATURE OF THE ACTION

1. This is a civil forfeiture action against funds that are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 18 U. S. C. § 981(a)(1)(A).

THE DEFENDANTS IN REM

2. The funds at issue are \$366,562.00 which were seized from Mechanics and Farmers Bank account number XXXXXX9508, held in the name of Overton National Transportation, Inc. (“the Defendant Funds”).
3. The United States Postal Inspection Service (“USPIS”) seized the Defendant Funds on or about August 26, 2020 pursuant to a federal seizure warrant.
4. The Defendant Funds are presently located in a secure account maintained by the USPIS.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355.
6. This Court has *in rem* jurisdiction over the Defendant Funds pursuant to 28 U.S.C. § 1355(b)(1)(A) because the acts or omissions giving rise to the forfeiture occurred in this district.
7. Venue is proper in this district pursuant to 28 U.S.C. §§ 1355, 1391 and 1395 because the acts or omissions giving rise to the forfeiture occurred in this district and the property is located in this district.

BASIS FOR FORFEITURE

8. The Defendant Funds are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) because they are derived from proceeds or are traceable to proceeds from violations of 18 U.S.C. §§ 1343 and 1344.
9. The Defendant Funds are also subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A) because they constitute property involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957, or are funds traceable to such property.

FACTUAL BACKGROUND

Cares Act

10. On March 29, 2020, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was enacted into federal law.
11. The CARES Act was designed to provide emergency financial assistance to millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic.
12. In the PPP loan application, the small business, through its authorized representative, must state, among other things, its average monthly payroll expenses and its number of employees.
13. Businesses applying for PPP loans must also provide documentation showing their payroll expenses.

14. The requested supporting documentation enables the SBA to calculate the amount the business is entitled to receive.
15. Since about December 2019, Postal Inspector (“PI”) Christopher M. Zito began investigating individuals for commercial loan fraud connected to fraudulent applications for tractor trailer loans.
16. During his investigation, PI Zito learned that one such target of investigation, Jakim E. Pearson a/k/a Jay Hezekiah Overton-Bay (“Pearson”) obtained PPP loan proceeds which were based on fraudulent misrepresentations.
17. According to records provided by the SBA, on or about June 29, 2020, Pearson, or someone on his behalf, electronically submitted a PPP loan application containing fraudulent misrepresentations in support of a \$366,652.00 loan for Overton National Transportation, Inc (“ONT.”)
18. Pearson, or someone on his behalf, submitted the PPP loan application to Kabbage, Inc., an online SBA-approved lender.
19. Based on the IP address information obtained from Kabbage, Inc., the loan application was submitted from a location in Georgia.
20. In his application, Pearson identified the business as “Overton National Transportation Inc.” and the business owner as “JH Overton-Bay.”

21. Pearson listed the business Employer Identification Number (“EIN”) as 83-1424386.

Documentation Supporting Fraudulent Loan Application

22. In support of the application, Pearson, or someone on his behalf, submitted:
- An Internal Revenue Service (“IRS”) form W-3, Transmittal of Wages and Tax Statements, for 2019;
 - a fraudulent Georgia driver’s license for Jay Hezekiah Overton-Bay;
 - a Georgia Secretary of State amended Annual Registration for ONT Inc.; and
 - an invoice from Associated Motor Truck Sales Inc. to ONT.
23. The W-3 form which Pearson, or someone on his behalf, submitted in support of the fraudulent application for ONT listed the address 57 Forsyth Street, NW, Suite 250, Atlanta, Georgia 30303 with a listed EIN of 83-1424386.
24. The W-3 form listed the number of W-2 forms ONT generated as 45.
25. The W-3 form which Pearson, or someone on his behalf, submitted represented that ONT paid \$1,656,000.00 in wages in 2019.
26. In contrast to the false representations, Georgia Department of Labor records for ONT revealed that the company paid no employee wages from the third quarter of 2019 through the second quarter of 2020.

27. In support of his application, Pearson, or someone on his behalf, also submitted a copy of the front of a Georgia driver's license in the name of Jay Hezekiah Overton-Bay.
28. Law enforcement has learned from the Georgia Department of Driver Services that Pearson fraudulently obtained a Georgia driver's license using the name Jay Hezekiah Overton-Bay.
29. The fraudulent driver's license showed Pearson's picture, along with his date of birth.
30. Because the license was fraudulently obtained, the Georgia Department of Drivers Services cancelled it in 2008.
31. In addition to the fraudulent IRS W-3 form and fraudulent driver's license, Pearson, or someone on his behalf, submitted a copy of the Georgia Secretary of State Amended Annual Registration filed on April 18, 2019, for ONT.
32. In the Amended Annual Registration, the principal office address for ONT is listed as 57 Forsyth St. NW, Ste 250, Atlanta, GA 30309.
33. The Amended Annual Registration for ONT listed the following officers: CEO - John Hollingsworth, CFO - Montoya Fulton, and Secretary - Vinod Manchani.
34. An online query of ONT's listed principal office address, 57 Forsyth Street, NW, Suite 250, Atlanta, Georgia 30309, revealed that the address was an office space available for rent.

35. Further investigation revealed that there were no online listings linking ONT to the address it allegedly uses.
36. On or about August 14, 2020, law enforcement officers visited 57 Forsyth Street, NW, Suite 250, Atlanta, Georgia 30309, where security personnel advised that the office space had been vacant for at least four to six months.
37. Furthermore, the law enforcement officers observed a sign on the door with the business name "Allied Logistics, Inc." and saw that the suite was empty.
38. The final document Pearson, or someone on his behalf, submitted in support of his PPP loan application, was a purported \$852,120 invoice to ONT from Associated Motor Truck Sales Inc. dated May 15, 2020.
39. The invoice appeared to indicate that ONT had purchased ten used Kenworth Sleeper Tractor trucks from Associated Motor Truck Sales, Inc.
40. The invoice included vehicle identification numbers ("VIN") for each truck.
41. A query of law enforcement databases for the listed VIN numbers revealed that the semi-trucks were owned and registered by U.S. Express Leasing, a company located in Tunnel Hill, Georgia.
42. Databases also revealed that the vehicles were registered in Oklahoma since February 2020.

PPP Loan Funded and Bank Account Information

43. The PPP loan application for ONT was approved.
44. The loan for \$366,652.00 was funded on June 29, 2020 by Kabbage.
45. On or about July 17, 2020, the \$366,652.00 from the approved loan (“Defendant Funds”) were deposited into Mechanics and Farmers Bank account number XXXXXX9508 (“MFB 9508”).
46. Financial records obtained from Mechanics and Farmers Bank showed that MFB 9508 was opened in the name of Overton National Transportation, Inc. by Liller M. Pearson.
47. Upon information and belief Liller M. Pearson is a relative of Pearson.
48. The account opening documents identified Liller M. Pearson as the sole signatory on MFB 9508.
49. The address given to the bank for the account was 1959 Carrington Court, Stone Mountain, Georgia 30087.
50. Upon information and belief, when the account was opened 1959 Carrington Court, Stone Mountain, Georgia 30087 was also Pearson’s address.
51. The documents presented to open MFB 9508 identified ONT’s address as 6000 Fairview Road, Suite 1200, Charlotte, North Carolina 28210.

52. The documents presented to the bank included a North Carolina Secretary of State Certificate of Authority, a Georgia Secretary of State amended Annual Registration, and an IRS EIN letter.
53. The North Carolina Secretary of State business filing showed that ONT was granted a business license in North Carolina on or about July 2, 2020, the day before MFB 9508 was opened.
54. The North Carolina Secretary of State business filing reflected that the listed address for ONT was 6000 Fairview Road, Suite 1200, Charlotte, North Carolina 28210.
55. On or about August 24, 2020, a law enforcement officer spoke with an employee of the office responsible for managing the 6000 Fairview Road, Suite 1200 property.
56. The employee of the property manager indicated that there was no record of ONT having an office at that location.
57. Another document submitted to the bank purported to be from the IRS assigning an EIN to Overton Transportation Group Inc. c/o Pearson.
58. A third document submitted to open MFB 9508 was a Georgia Secretary of State business filing entitled "Certificate of Existence" for ONT stating that the business has existed in Georgia since 2008.

59. A search on the Georgia Secretary of State Corporations Division public website revealed several business filings for ONT, including one from June 30, 2020, adding Liller Pearson as the CFO.
60. On or about August 26, 2020, the Northern District of Georgia Magistrate Court issued a federal seizure warrant, under seal, for the Defendant Funds.

WHEREFORE, Plaintiff prays:

- (1) that the Court forfeit the Defendant Funds to the United States of America;
- (2) that the Court award Plaintiff the costs of this action; and
- (3) that Plaintiff have such other and further relief as the Court deems just and proper under the facts and circumstances of this case.

This 18th day of February, 2021.

Respectfully submitted,

Kurt R. Erskine

Acting United States Attorney

Cynthia B. Smith
/s/ Cynthia B. Smith

Cynthia B. Smith

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VERIFICATION OF COMPLAINT FOR FORFEITURE

I, Special Agent Alexandre Herrera, have read the Complaint for Forfeiture in this action and state that its contents are true and correct to the best of my knowledge and belief based upon my personal knowledge of the case and upon information obtained from other law enforcement personnel.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

This 18th day of February 2021.

Alexandre Herrera

SPECIAL AGENT ALEXANDRE HERRERA
FEDERAL DEPOSIT INSURANCE
CORPORATION, OFFICE OF INSPECTOR
GENERAL